



The 'So Fast' team at Quill Corporation: from left, Margaret Mayer, Diane Ostrowski and Stephanie Loup present the company's solution to the second Quillionaire Challenge.

Innovation 'reality-TV' style

by Stephen Shapiro

Instilling a culture of continuous innovation in a traditional company need not take years. If the exercise is fun, employees enjoy it. At Quill Corporation the solution was to create a 'reality TV show'

Innovation - it's the buzzword of the moment, and for good reason. In today's highly volatile business environment, the need for companies to reinvent themselves repeatedly and rapidly is the only way to ensure long-term survival. Although many organisations recognise this fact, few can define what innovation means to them, let alone create a pervasive, innovative culture of their own.

The accepted notion is that sparking a culture of innovation would require hard work and a long time to produce results. I have found that sometimes the opposite is true. Motivated organisations that know where they are going can move from bureaucracy to creativity with remarkable speed.

There are no silver bullets or one-size-fits-all solutions, but over the years I have found that there are eight levels that organisations move through on their way to creating a truly innovative culture:

1. Ad Hoc
2. Innovation Core Team
3. Centre of Excellence
4. Community of Practice
5. Innovation Management Software
6. Growth Engines
7. Imbedded Innovation
8. Organic Innovation

One such company is Quill Corporation, a division of Staples, the office products retailer with extensive operations in North America, Germany and the United Kingdom. Based near Chicago, Quill is a wholly owned subsidiary that employs 2,000 people and sells office supplies to small and mid-sized companies via catalogue, phone, and internet.

Moving at the pace Quill set for itself was going to require some serious creative thinking. As Quill President Larry Morse said: "You don't wake up one day and turn on the innovation switch." But in its eager quest, Quill leaped from Level 1 (see box) to Level 5 in a little more than six months, and Levels 6 through 8 are in the plans for this year.

What helped speed the process? One element was to make change as painless as possible by injecting a sense of fun into the process. Innovation specialists have long understood that play is a prime source of creativity. The internal competition we devised brought play into the workplace - a space normally not known for fun - in a practical way that solved real business problems. We borrowed a few techniques straight from Hollywood.

Quill Vice President of Strategy Kyle Anderson was a strong supporter of the project. "This light-hearted approach piqued employee interest and heightened awareness throughout the organisation," he said.

Susan Baird, Innovation Strategic Projects Co-ordinator, notes that several practical ideas from the effort have been implemented, and innovation is starting to look like an attractive activity. "Attitudes are shifting from sceptics to believers. Some employees are even starting to do their own brainstorming sessions. The transformation has been amazing to watch and for me the most rewarding experience of being part of the team." This is the story of Quill's development.

Level 1

Ad hoc - where the story begins

The company had been focused on daily business pressures for so long that little time was ever allocated for reflective thinking or innovation. Indeed, innovation was not well understood, let alone practiced within the organisation. Quill had prospered as a business in the past but now faced a marketplace of extreme commoditisation. Innovation had suddenly become a must.

Culturally, instilling innovation was going to be a challenge. A shift in thinking and attitudes was needed to advance from a functional process-driven to a cross-functional orientation aimed at achieving outcomes. In effect, it meant a shift from a production mentality to one of investment in the future.

Level 2

Innovation core team - laying the foundation

Quill President Morse became the primary advocate. His first move was to create a small core team of people responsible for shepherding the innovation effort; an innovation 'veneer' sitting on top of the organisation. Given the size of Quill, this core group was quite small. Strategy VP Anderson took on the additional role of Chief Innovation Officer. And Susan Baird, formerly the president's assistant, took a full-time role and joined as an adviser.

This core team was responsible for generating awareness of innovation, building the necessary infrastructure, creating the training materials and plans, and developing a process for managing the innovation pipeline. These activities were largely co-ordination and administration rather than content. Once we agreed on the plans and standards, our next step was to launch the Centre of Excellence. And this is where the fun began.

Level 3

The centre of excellence - the quillionaire

Faced with the challenge of moving ahead as quickly as possible, we decided to try something unusual. We brought in the concept of reality television. Considering the popularity with the general public, a competition based on *The Apprentice* (a US reality television show with Donald Trump) or *Pop Idol* seemed the best choice. And so we launched *The Quillionaire* in which three teams competed against each other monthly to solve real-life business challenges. Because Quill's tagline is 'So Fast, So Simple', the teams were named 'So Fast', 'So Simple' and 'So Quill'.

We needed a mix of people from across the organisation and we quickly identified 24 - eight per team. Some were selected for their creativity but most were picked for their interest in innovation. We taught them the basics and they would learn the rest over time. To determine the teams, we gave them an innovation personality test to determine their natural style. Based on the results, we mixed styles (creatives, planners, analysers, relationship people and so on) to help ensure some creative tension during the competition.

Things started tentatively, then gathered momentum. As Jim Layer, one of the *Quillionaire* contestants, said, "Slowly, everyone started stepping out of their work persona and growing more communicative, sharing their insights and inquisitiveness. And when we broke into our challenge team, the communication and creativity came pouring out. Everyone was involved and energised. The whole process has been such a positive one that my team mates and I look forward to our meetings. They have become the best part of our day."

The meetings have been raucous and exciting. The team threw out hundreds of ideas while one member frantically captured them on flipcharts. Ideas ranged from the obvious to the ridiculous, from the practical to the unfeasible, from continuous improvement to radical innovation. And when the dust settled the teams converged on the solutions that would balance creativity, feasibility, value, and sustainability. Not only were the competitions fun, they had the added bonus of generating real solutions. The first challenge was to find the next 'big idea' for Quill. The three teams went off with video cameras and worked on

their solutions. After a month, they presented to a panel of judges comprising three vice-presidents and myself. The judges' role was to encourage participants while still challenging their solutions. We avoided demotivating people but we did push them hard to think creatively and look at problems from many different angles.

The judging sessions were professionally videotaped. This footage, together with video from the brainstorming sessions, was edited to create an entertaining 'reality' show that was viewed on TV monitors throughout Quill and on the company's intranet. In the final episode of *Quillionaire*, the employees voted for the winning solution.

It is expected to generate millions of dollars in new revenue each year. Without getting into specifics, the plan is to launch a new product line that is not office-supply related, nor has it been traditionally sold to small businesses, but is something Quill's customers could use on a frequent basis. The winning team are now advisers of the group implementing the idea.

Before each challenge, we conducted some basic creativity training. One technique we used was to consider how someone else, especially someone famous, might develop a new idea for Quill. During the exercise, a team member was given a television psychologist (Dr Phil) as her filter. After thinking about it for a moment, she answered, "The psychologist solves problems. So maybe Quill should be in the problem-solving business rather than just selling paper and pencils? We could offer a business solutions portal on our website and call it 'Ask Dr. Quill', a service that helps small businesses solve various problems in the areas of Quill's expertise."

The only real issue we faced during the competition was one of time constraints. Supervisors were told to expect the team members to dedicate about four hours a week to the competition. Some teams met for lunch daily, others worked evenings or found time during the workday. The key was to tell them what was expected (the outcome) rather than how they should do it (the process). So all we gave them were the challenges, the evaluation criteria (how they would be judged) and the deadlines. They did the rest their own way.

Level 4

The innovation community - spreading the word

Moving from a small central group to a more pervasive level of innovation required the creation of an Innovation Community. At this stage we selected 75 people from across the company. This group provided insights into the specific needs of their departments, employees, customers, vendors, and other stakeholders. They served as advocates and apprentices for innovation, bringing news from the Community to everyone in the organisation.

Community members dedicate two to six hours per month, participating in group meetings every two months. They also identify departmental needs and communicate them to the Core Group and the Centre of Excellence. They deliver quarterly workshops/brown-bag lunches for their function. They facilitate innovative ideas through cross-functional best practices and brainstorming; capture local innovation best practice, knowledge capital and case studies. And over time they will also be given specific business performance improvement targets. And finally they generate their own solutions to the ongoing 'Quillionaire' challenges.

As we moved innovation into the organisation, we created a 'pull' from departments and vice presidents who now were asking us to conduct innovation sessions for their groups. These became another vehicle for training the Centre of Excellence. In one session we had 10 Centre of Excellence team members who developed over 200 breakthrough ideas in two hours. The Centre of Excellence team members are now being primed to start leading their own sessions within their departments.

"As we began to put processes in place and create a structure for innovation, employees began to take notice with a close and watchful eye. They were eager to provide ideas and were interested in how serious we were in implementing them," says Co-ordinator Baird.

Level 5

Innovation management software - engaging the entire organisation

At this point we had engaged 1 per cent of the company in the Centre of Excellence and 5 per cent of the company in the Innovation Community. The next step was to engage the entire organisation. Quill wanted to do monthly challenges like we had been doing with the 'Quillionaire' teams, but make them open to the entire organisation. In order to do this, we needed some software to gather employee's solutions to our challenges.

On the market there are a few commercially available 'idea management' software products but Quill was reluctant to pay the relatively steep licensing fees. So we decided to develop a simple piece of software on our own. It was basically a bulletin board enabling people to post solutions to various challenges. This worked well for the first couple of challenges as a pilot. Now it was time to go to the next generation of software. With the help of a small software developer in California, we launched a new Innovation Forum with more robust features, including online evaluation and creativity tools. The developer and I created a joint venture and will make this software available during the summer 2005.

Another key feature of the Forum is the ability to run department-specific challenges rather than just centralised, company-wide events. Over time we hope to open these challenges to an audience outside of Quill, to customers, vendors, and even the general public. All of this fits in with our general philosophy of pushing innovation and decision-making down to the lowest levels of the organisation and getting closer to the market-place.

George Rodriguez, a Centre of Excellence member said to me, "The ability of people to find innovative solutions can be maximised by finding the correct balance between engagement, urgency, and prioritisation. Bringing the Innovation Forum to Quill has publicly reinforced the importance of setting time aside. One small step for man but one large leap for changing company culture."

The Future: Levels 6 through 8

Quill is in the middle of its innovation journey. Over the next 18 months employees will be focused on moving further up the ladder of innovation. At these higher levels, innovation becomes imbedded deeper into the organisation.

Level 6

Growth Engines

This is used for discontinuous growth, or new products/services that require a different culture. The objective here is to create a portfolio of businesses via spin-off units. These growth engines may cannibalise the core business, but in the long run they will help the business as a whole.

Level 7

Imbedded Innovation

At this stage, major organisational change takes place. The objective is to make everyone innovative every day, moving from a process-driven functional organisation to an outcome-driven cross-functional organisation. The organisation moves from 'innovations' (ideas that have a beginning and end) to 'innovation', which is continuous. Business targets become the primary measure of success rather than the number or value of ideas. When achieving this level, innovation is less reliant on central group.

Level 8

Organic Innovation

At this ultimate stage, innovation is no longer dependent on structures or processes. Innovation is not something to do. It is natural, like breathing.

Conclusion

Creating a culture of innovation does not have to be painful. The injection of fun into the organisation helps get employees excited about generating new ideas. The key is a commitment from top management to implement the best ideas. If employees see the prospect of their ideas being accepted, they will contribute.

An effort like this requires a management that allows people to devote the time to innovation. The company 3M has a '15 per cent rule' under which all employees can spend 15 per cent of their time on innovation activities. At Quill, we managed to make major change with an over-all investment in innovation of less than 1 per cent. If the time is invested wisely and leveraged properly, major returns from modest investments are possible.

Stephen Shapiro is an independent consultant and author of *24/7 Innovation: A blueprint for surviving and thriving in an age of change* (McGraw-Hill). He has advised dozens of global organisations from BMW WilliamsFI, Vodafone and ABB to Accenture, UPS and Xerox. For more information, go to www.24-7Innovation.com